

Congress of the United States
Washington, DC 20515

April 30, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd St. SW
Washington, D.C. 20416

Secretary Mnuchin and Administrator Carranza:

We write to express our deep frustration with the technical difficulties that have effectively barred access for many community banks, minority depository institutions (MDIs), and community development financial institutions (CDFIs) from the relaunch of the Paycheck Protection Program (PPP). We request that you immediately inform us how you intend to fix the SBA systems to address these issues, and when we can expect reliable access to be created for these financial institutions, who reach the very communities and small businesses the PPP was intended to reach.

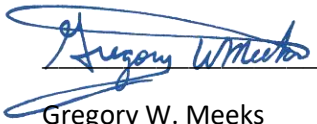
As you know, Congress expressly directed your agencies to create access for community banks, MDIs, and CDFIs in the passage of the Paycheck Protection Program and Health Care Enhancement Act. The Act provides for \$60 billion of dedicated funding for the small business customers of these institutions. This is the only way to ensure the availability of desperately needed credit for thousands of American small businesses served exclusively by these institutions. The much-anticipated April 27 relaunch of the PPP was plagued with technical difficulties. Many smaller lenders have been completely frozen out of the E-Tran system or are able to log in briefly only to be kicked out. With thousands of loan applications for small community businesses and minority businesses ready for submission, these smaller lenders have teams of staff dedicated to logging in repeatedly in a desperate attempt to help their customers before funds once again run out. However, even after allocating staff towards this effort, many of these lenders were unable to access the SBA system to provide resources to communities most in need.

What's more, in an unfortunate repeat of the complaints from the initial round of PPP funding, it appears that the largest lenders were able to access the SBA systems on behalf of their customers while smaller, community-based lenders were not. Preferential treatment of the largest lenders is unacceptable and is inconsistent with the expressed intent of Congress in funding this program. This system failure must be addressed immediately, as failing to do so harms the small

businesses and communities impacted by the COVID-19 pandemic. The Program is a critical component of Congress's response and must not be allowed to fail.

We look forward to your timely response.

Sincerely,

A handwritten signature in blue ink, reading "Gregory W. Meeks", written over a horizontal line.

Gregory W. Meeks
Member of Congress

A handwritten signature in blue ink, reading "Kamala D. Harris", written over a horizontal line.

Kamala D. Harris
US Senator